

Official Statement**Rio San Diego Municipal Water District
San Diego County, California****\$600,000****Waterworks Bonds for Improvement District No. 1,
Election 1961, Series 2.****(General Obligations)**Public utilities water
S.D.Co.
Local finance
Investments Public
securities
INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

JUL 27 1976

UNIVERSITY OF CALIFORNIA

Bids to be received by the Secretary of the District at the offices of
California First Bank—Trust Department, Second Floor, 530 "B" Street,
San Diego, California 92101, at 11:00 A.M., Tuesday, August 17, 1976.



Digitized by the Internet Archive
in 2025 with funding from
State of California and California State Library

<https://archive.org/details/C123317925>

**RIO SAN DIEGO MUNICIPAL WATER DISTRICT
IMPROVEMENT DISTRICT NO. 1
San Diego County, California**

BOARD OF DIRECTORS

Harold S. Rakowski, *President*

George R. Ribley, *Vice-President*

William A. Pogue, Jr., *Treasurer*

Alex L. Adams

Robert M. Smith

DISTRICT STAFF

Edwin W. Houser, *Manager-Engineer*

M. Gale Ruffin, *Assistant Manager-Engineer*

Barbara J. Reed, *Secretary*

Wallace R. Peck

Jennings, Engstrand & Henrikson,
A Professional Law Corporation, *San Diego*
General Counsel

SPECIAL SERVICES

James M. Montgomery Consulting Engineers, Inc.
La Jolla

O'Melveny & Myers, *Los Angeles*
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco*
Financing Consultants

Bank of America N.T. & S.A., *San Diego*
Paying Agent

THE DATE OF THIS OFFICIAL STATEMENT IS JULY 21, 1976

Rio San Diego Municipal Water District

(714)448-3111

10887 Woodside Ave., P.O. Box 70
Santee, California 92071

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$600,000 Waterworks Bonds, Election 1961, Series 2, for Improvement District No. 1, authorized and issued for the purpose of assisting in the financing of water system improvements and paying of expenses in connection with bond issuance.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Rio San Diego Municipal Water District with regard to its Improvement District No. 1, Waterworks Bonds, Election 1961, Series 2. (Such firm will receive compensation from the District contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, Notice Inviting Bids, proposed project improvements, financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Secretary of the District for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

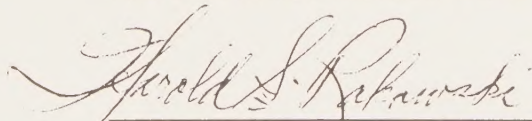
The Official Statement does not constitute a contract with the buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, is available to any prospective bidder on request from said Secretary.

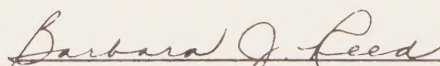
The legal opinion, approving the validity of the Bonds, will be furnished by O'Melveny & Myers, Los Angeles, California, Bond Counsel to the District, (see "Legal Opinion"). Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions as set forth herein under the caption "The Bonds".

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the District.

RIO SAN DIEGO MUNICIPAL WATER DISTRICT


Harold S. Rakowski, President


Barbara J. Reed, Secretary

CONTENTS

Introduction	1	Major Taxpayers	12
The Bonds	2	Tax Rates	12
Authority for Issuance	2	Pension Plan	12
Terms of Sale	2	Insurance in Effect	13
Description of the Bonds	2	Income, Expenses and Balance Sheet	13
Redemption Provisions	2	Direct and Overlapping Bonded Debt	13
Notice of Redemption	3	Other Debt Obligations	13
Registration	3	Economy of the District	19
Purpose of Issue	3	Geography	19
Tax Exempt Status	3	Population	19
Security	3	Housing	19
Legal Opinion	3	Principal District Communities	19
Certificate Concerning Official Statement ...	3	Building Activity	19
Other Closing Documents	3	Sewer and Building Moratoriums	20
Estimated Annual Bond Service	4	Employment	21
The Project	5	Commerce	21
Estimated Project Costs	5	Industry	22
Environmental Considerations	5	Transportation	22
District Organization and Facilities	6	Education	23
Formation and Organization	6	Community Facilities	23
District Facilities	7		
Water Supply	7		
Metropolitan Water District	7		
San Diego County Water Authority	7		
District Water Sales	7		
Water Connections	8		
Water Rates	9		
Santee Lakes	10		
Proposed Consolidation	10		
Financial Data	11		
Assessed Valuations	11		
Tax Levies and Delinquencies	11		

T A B L E S

Table 1.	Estimated Annual Bond Service ...	4
Table 2.	Income and Expenses	14
Table 2A.	Income and Expenses	15
Table 3.	Balance Sheet	16
Table 3A.	Balance Sheet	17
Table 4.	Direct and Estimated Overlapping Debt	18



Vicinity map showing the Rio San Diego Municipal Water District (shaded area) and its location within San Diego County. The eastern portion of the District constitutes Improvement District No. 1.

INTRODUCTION

The \$600,000 principal amount of Rio San Diego Municipal Water District Waterworks Bonds, Election 1961, Series 2, for Improvement District No. 1, which are currently being offered for sale represents the remainder of \$3,000,000 authorized by more than two-thirds of the voters voting at an election held within the Improvement District on March 21, 1961. Series 1 Bonds in the amount of \$2,400,000 were sold on August 22, 1961. The Bonds are general obligations of Improvement District No. 1 and are secured by and payable from the District's power and obligation to levy unlimited property taxes within the Improvement District. Bond proceeds will be used to finance a pipeline to the Improvement District's water system so as to enable the Improvement District to receive Feather River water from Northern California via the State Water Project when such water becomes available in Summer 1977. Other projects that are part of the overall improvement program will be financed by (1) a separate sale on August 17, 1976 of \$5,000,000 1976 Water Bonds by the overall Rio San Diego Municipal Water District; and (2) by up to \$1,900,000 in improvements by the San Diego County Water Authority.

The overall District currently receives Colorado River water as a member of the San Diego County Water Authority, which in turn is a member of the Metropolitan Water District of Southern California. Improvement District No. 1 purchases water on a wholesale basis from the overall District and then retails the water to customers within the Improvement District. As of July 1, 1976, the Improvement District had 1,676 connections, as compared to 1,054 in July 1971.

The Improvement District is located in south-central San Diego County about 25 miles east of the City of San Diego. It was formed in 1961 and comprises about 53 square miles. The entire District, including Improvement District No. 1, is governed by a five-member Board of Directors elected for overlap-

ping four-year terms. A special census conducted by the San Diego County Planning Office as of April 1975 reported the Improvement District's population to be 14,716, as compared to the 1970 Federal census total of 8,979. Home values in the Improvement District are estimated to have an average value of \$54,000.

The Improvement District is entirely unincorporated and includes principally the communities of Alpine, Harbison Canyon and Crest, which are primarily residential in nature. The Improvement District is close to the El Cajon Valley and a well-developed commercial and industrial center. A major freeway provides access to the entire San Diego Metropolitan Area and beyond, thus allowing residents to avail themselves of employment, recreational and cultural activities of the entire region.

The Improvement District's 1975/76 assessed valuation was \$36,222,682. Since 1971/72, the assessed valuation has increased from \$18,421,336, or 97%. Preliminary 1976/77 assessed valuations of the Improvement District, for the local secured and unsecured rolls only, are reported to be \$36,683,647 by the San Diego County Auditor-Controller. The increase is due primarily to reassessment of existing property. It is noted that there is a building moratorium imposed on portions of the District as detailed in the section of this official statement entitled "Economy of the District."

For the period 1970/71-1974/75, secured tax delinquencies averaged 7.46%. However, total collections including prior year collections, penalties and interest, averaged 97.5% of the secured levy annually. Including the Series 2 Bonds currently offered, the Improvement District's outstanding general obligation bonded debt will be \$2,450,000 as of the sale date of the Series 2 Bonds. The Improvement District's total direct and estimated gross and net overlapping debt will be \$6,253,029 and \$6,250,007, respectively, or 17.26% and 17.25% of the 1975/76 assessed valuation.

THE BONDS

Authority for Issuance

At a special election held on March 21, 1961, voters within Improvement District No. 1 of the Rio San Diego Municipal Water District ("the Improvement District") authorized the issuance of \$3,000,000 of general obligation bonds by a vote of 1,022 to 75 (93.2 percent). Series 1 Bonds in the amount of \$2,400,000 were sold on August 22, 1961.

The \$600,000 Waterworks Bonds, Election 1961, Series 2, for Improvement District No. 1, ("the Bonds") now being offered for sale represent the remainder of the \$3,000,000 authorization. The Bonds will be issued pursuant to the provisions of a resolution of the District Board of Directors adopted July 21, 1976. Proceeds from the sale of the Bonds will be used to finance water system improvements for the Improvement District.

Terms of Sale

Bids for the purchase of the Bonds will be received by the Secretary of the Board of Directors of the Rio San Diego Municipal Water District at 11:00 A.M., Tuesday, August 17, 1976, at the offices of California First Bank, Trust Department, Second Floor, 530 "B" Street, San Diego, California 92101. It is anticipated that award of the Bonds to the successful bidder will be made by the Board of Directors at its meeting later on the same date. Details of the terms of sale are included in the Notice Inviting Bids dated July 21, 1976, a copy of which accompanies this official statement.

Description of the Bonds

The \$600,000 principal amount of Bonds will be dated September 1, 1976 and will be issued in denominations of \$5,000 each. The Bonds will be numbered 1 through 120 and will be payable annually on September 1 of each year as shown in the following tabulation.

MATURITY SCHEDULE

Maturity Date Sept. 1	Principal Amount	Maturity Date Sept. 1	Principal Amount
1977	\$15,000	1987	\$30,000
1978	15,000	1988	30,000
1979	15,000	1989	35,000
1980	15,000	1990	35,000
1981	20,000	1991	35,000
1982	20,000	1992	40,000
1983	20,000	1993	45,000
1984	25,000	1994	50,000
1985	25,000	1995	50,000
1986	25,000	1996	55,000

Interest is payable semi-annually on the first days of March and September in each year commencing March 1, 1977. Interest and principal are payable at the Trust Office of the paying agent, Bank of America N.T. & S.A., San Diego, California.

Redemption Provisions

Bonds maturing on or before September 1, 1988, a total principal amount of \$255,000 are not subject to call and redemption prior to their fixed maturity dates. Bonds maturing on or after September 1, 1989, a total principal amount of \$345,000, are subject to call and redemption, at the option of the District, as a whole or in part in inverse order of maturity and by lot within a single maturity on September 1, 1988, or on any interest payment date thereafter, upon payment of a redemption price equal to the principal thereof plus a premium of one-fourth of one percent of such principal amount for each year or fraction of a year from the redemption date to the maturity date of the Bonds called for redemption. The maximum premium payable upon call of the Bonds for redemption on or after September 1, 1988 would be two percent.

Notice of Redemption

Notice of redemption is to be published in a newspaper of general circulation in the County of San Diego, California and a financial newspaper or financial journal, published in the City of New York, New York. The first publication must be at least 30 days but not more than 60 days prior to the redemption date. The paying agent is required to give written notice to the owners of any registered Bonds.

Registration

The Bonds will be issued as coupon bonds and will be registrable only as to both principal and interest, with the privilege of discharge from registration and re-registration, all in accordance with the provisions in the resolution providing for the issuance of the Bonds.

Purpose of Issue

The proceeds from the sale of the Bonds will be used to finance construction of a water pipeline, as detailed in the section of this official statement entitled "The Project."

Tax Exempt Status

In the opinion of Bond Counsel, interest on the Bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

Security

The Bonds are general obligations of Improvement District No. 1 of the Rio San Diego Municipal Water District and the Board of Directors has the power and is obligated to levy annual ad valorem taxes for payment of the Bonds and the interest thereon upon all property within the Improvement District subject to taxation by the District (except certain personal property which is taxable at limited rates) without limitation as to rate or amount. The foregoing obligations, however, may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights. At the option of the Board of Directors, other Improvement District funds which are not special purpose funds restricted by law to specific uses may be used to meet bond service.

Legal Opinion

The unqualified opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel for the District, attesting to the validity of the Bonds, will be supplied free of charge to the purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this official statement under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal proceedings required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this official statement, not mentioned in this paragraph.

Certificate Concerning Official Statement

At the time of payment for and delivery of the Bonds, the District will furnish the successful bidder a certificate, signed by an appropriate officer of the District, acting in his official capacity, to the effect that to the best of his knowledge and belief, and after reasonable investigation: (a) Neither the official statement relating to the Bonds nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (b) since the date of the official statement no event has occurred which should have been set forth in an amendment or supplement to the official statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the District since the date of such official statement.

Other Closing Documents

In addition to the opinion of Bond Counsel and the Certificate Concerning Official Statement de-

scribed above, the District will, at the time of delivery of the Bonds, furnish the purchaser the following documents, all to be dated as of the date of delivery:

1. *Arbitrage Certificate.* A certificate of a responsible officer of the District certifying that, on the basis of the facts and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds.

2. *Signature—No Litigation Certificate.* A certificate of the respective officers and representatives of the District showing that they have signed the Bonds by manual or facsimile signature, that they were duly authorized to execute the same, and that there is no litigation threatened or pending affecting the validity of the Bonds.

3. *Treasurer's Receipt.* The receipt of the Treasurer of the District showing that the purchase price of the Bonds, including accrued interest to the date of delivery (if any), has been received by the District.

Estimated Annual Bond Service

Table 1 presents an estimate of annual bond service for the \$600,000 principal amount of Waterworks Bonds, Election 1961, Series 2. Interest is estimated at 7½ percent. Actual bond service on the Improvement District's outstanding Series 1 Bonds is also shown. Based on the Improvement District's preliminary 1976/77 assessed valuation and an eight percent interest rate (the legal maximum), the tax rate necessary in 1976/77 to meet debt service on all outstanding 1961 Bonds would be \$.5734 per \$100 assessed valuation.

Table 1
IMPROVEMENT DISTRICT NO. 1
RIO SAN DIEGO MUNICIPAL WATER DISTRICT
Estimated Annual Bond Service

Year Ending Sept. 1	Estimated Bond Service, 1961 Bonds, Series 2				Series 1 Bonds Actual Bond Service	Grand Total
	Principal Outstanding	Interest at 7½ %	Principal Maturing Sept. 1	Total Bond Service		
1977	\$600,000	\$ 45,000	\$ 15,000	\$ 60,000	\$ 157,963	\$ 217,963
1978	585,000	43,875	15,000	58,875	179,400	238,275
1979	570,000	42,750	15,000	57,750	174,650	232,400
1980	555,000	41,625	15,000	56,625	169,900	226,525
1981	540,000	40,500	20,000	60,500	165,150	225,650
1982	520,000	39,000	20,000	59,000	160,400	219,400
1983	500,000	37,500	20,000	57,500	155,650	213,150
1984	480,000	36,000	25,000	61,000	150,900	211,900
1985	455,000	34,125	25,000	59,125	146,150	205,275
1986	430,000	32,250	25,000	57,250	141,400	198,650
1987	405,000	30,375	30,000	60,375	186,800	247,175
1988	375,000	28,125	30,000	58,125	179,900	238,025
1989	345,000	25,875	35,000*	60,875	173,000	233,875
1990	310,000	23,250	35,000*	58,250	166,100	224,350
1991	275,000	20,625	35,000*	55,625	209,200	264,825
1992	240,000	18,000	40,000*	58,000	—	58,000
1993	200,000	15,000	45,000*	60,000	—	60,000
1994	155,000	11,625	50,000*	61,625	—	61,625
1995	105,000	7,875	50,000*	57,875	—	57,875
1996	55,000	4,125	55,000*	59,125	—	59,125
Totals		\$577,500	\$600,000	\$1,177,500	\$2,516,563	\$3,694,063

*Callable on or after September 1, 1988.

THE PROJECT

Proceeds from the Bonds currently offered will be used to finance a 5,528-foot pipeline from the El Monte Pumping Station to Improvement District No. 1. This pipeline will replace an existing raw water connection owned by the City of San Diego, which is currently leased by the District under an agreement with the City. The replacement line is needed to provide fully treated water to the Improvement District in accordance with State health standards. Full treatment will become necessary in Summer 1977 when State Water Project water from the Feather River is blended with the Improvement District's present source, Colorado River water.

In addition to the Bonds currently offered, on August 17, 1976, the Rio San Diego Municipal Water District will sell \$5,000,000 of an authorized \$8,400,000 1976 Water Bonds (general obligations) to finance other water system improvements needed for receipt, storage and transmission of water via the State Water Project. These bonds will be secured by the entire District, which includes Improvement District No. 1.

Estimated Project Costs

Based on construction bids received July 16, 1976, the estimated cost of the pipeline is as shown in the following tabulation. The apparent successful bidder was Vido Artukovich & Son, Inc., South El Monte, California. The project is scheduled for construction to begin in October 1976 and be completed within five months.

IMPROVEMENT DISTRICT NO. 1

Estimated Project Costs

Construction	\$475,000
Engineering, inspection and testing	50,000
Contingencies	50,000
Costs of bond issuance	25,000
Total Bond Issue	\$600,000

Environmental Considerations

The project is subject to the provisions of the California Environmental Quality Act (Public Resources Code, Section 21000 et seq.). An environmental impact assessment was made and a negative declaration adopted by the Board of Directors on April 13, 1976. A Notice of Determination was filed with the San Diego County Clerk on May 12, 1976.

DISTRICT ORGANIZATION AND FACILITIES

Formation and Organization

The Rio San Diego Municipal Water District was formed in 1955 pursuant to the Municipal Water District Law of 1911 (California Water Code Section 71000 et seq.). The District was formed to provide for a supplemental water supply to its residents. The District is governed by a five-member Board of Directors elected on a staggered basis for four-year terms. The present board members and manager-engineer are as follows:

Harold S. Rakowski — *President of the Board*. Mr. Rakowski is an insurance broker and has served on the board since 1958.

George R. Ribley — *Vice President of the Board*. Mr. Ribley, a retired businessman, has served on the board since 1958.

William A. Pogue, Jr. — *Board member and Treasurer of the District*. Mr. Pogue is a real estate broker and has served on the board since 1971.

Alex L. Adams — *Board member*. Mr. Adams, a retired rancher, has served on the board since 1961. Mr. Adams is also President of the California Association of Resource Conservation Districts.

Robert M. Smith — *Board member*. Mr. Smith is a retired rancher and has served on the board since 1967. Mr. Smith is also a commissioner for Zone 2 of the San Diego County Flood Control District.

Edwin W. Houser — *Manager-Engineer*. Mr. Houser has served as the District Manager-Engineer since July 1962. He holds a Bachelor of Science Degree in civil engineering from the University of Illinois. Prior to joining the District, Mr. Houser was engaged in engineering consulting.

The District and the Santee County Water District currently employ 67 full-time employees and the cost of their salaries is shared by the two districts on various percentage bases, depending on the job function of the particular employee.

The District comprises a total of about 85 square miles and is located about 25 miles east of the City of San Diego and is immediately north and east of the City of El Cajon. The District includes the unincorporated communities of Alpine, Harbison Canyon, Crest, Lakeside and Santee.

The District includes two Improvement Districts. Both are governed and operated by the overall District's Board of Directors and staff and have no separate employees. Improvement District No. 1, comprising about 53 square miles, includes the communities of Alpine, Harbison Canyon and Crest.

This Improvement District was formed in 1961 to finance transmission lines and storage facilities to receive water from the San Diego County Water Authority Aqueducts, thus ensuring a constant supply of water.

Improvement District No. 2, located entirely within Improvement District No. 1, was formed in 1968 to finance improvement of a private water system acquired by the District. General obligation bonds in the amount of \$200,000 were authorized but the improvements have not been necessary and no bonds have been sold or special property tax levied within Improvement District No. 2. The District does not anticipate a change in the current status.

District Facilities

At present, the overall District owns a chlorination station and is purchasing a portion of the El Capitan pipeline from the City of San Diego. All other reservoirs, pipelines, pumping stations and appurtenances are owned and operated by the districts that the District wholesales water to, as described more fully in subsequent paragraphs.

In Improvement District No. 1, water transmission and storage facilities have been constructed and operated by the District.

All facilities to be constructed utilizing proceeds from the Bonds currently offered will be owned and operated by the District.

Water Supply

The Rio San Diego Municipal Water District presently obtains its water supply from the Colorado River by means of participation rights as a member of the San Diego County Water Authority, which in turn is a member of the Metropolitan Water District of Southern California described below. The District also has capacity rights by reason of an agreement with the Helix Water District, having purchased these rights with proceeds from a 1956 bond issue. The District has no water rights in local streams or water tables nor does it have any wells.

Beginning in Summer 1977 Feather River water from Northern California via the State Water Project will be made available to the San Diego County Water Authority and blended with the Colorado River water, as more fully described in the section of this official statement entitled "The Project."

Through its participation rights in the Authority, the District will receive its share of the blended water.

Metropolitan Water District

The Metropolitan Water District of Southern California is a public corporation organized in 1928 under the authority of the Metropolitan Water District Act. This act provides a means whereby groups of cities and certain other governmental subdivisions such as municipal water districts, not necessarily contiguous, may join together for the development of a water supply. The territory of the Rio San Diego Municipal Water District was annexed to the Metropolitan Water District after the former's formation and was charged an annexation fee equal to all back taxes plus 4% interest. As of June 30, 1975 the annexation charges to be paid by a special Metropolitan Water District tax totalled \$519,295. This amount is to be repaid by 1991. Metropolitan Water District basic and annexation taxes are collected at the same time and in the same manner as city, county and school district taxes.

San Diego County Water Authority

The San Diego County Water Authority was formed in 1944 under the County Water Authority Act for the purpose of transporting Colorado River water to supplement the local water supply. The Authority will also administer State Water Project water to its member agencies when said water becomes available in summer 1977. The first San Diego Aqueduct was constructed by the U.S. Bureau of Reclamation with Navy Department funds, repayable by annual payments by the Authority. The second aqueduct was constructed by the Authority, financed by a general obligation bond issue. The annexation charges owed by the Rio San Diego Municipal Water District, calculated in a similar manner to Metropolitan Water District annexation charges, totalled \$1,516 as of June 30, 1975 and will be repaid by 1980.

District Water Sales

The District purchases water from the San Diego County Water Authority and wholesales it to the Lakeside Irrigation District; Rio San Diego Municipal Water District—Improvement District No. 1; Riverview Water District; and the Santee County Water District. These districts in turn sell the water to their respective retail customers. The District also sells water to the County of San Diego for the

county-owned and operated El Monte Park. It should be noted that the four districts and the county are the sole customers of the Rio San Diego Municipal Water District.

Water Connections

The following tabulation presents a six-year summary of the number of connections for which the District provides water on a wholesale basis.

RIO SAN DIEGO MUNICIPAL WATER DISTRICT

Water Connections

Year at June 30	Lakeside Irrigation District	Rio San Diego— Improvement District No. 1	Riverview Water District	Santee County Water District	Total
1971	2,267	1,054	2,015	6,381	11,717
1972	2,427	1,224	2,035	7,757	13,443
1973	2,587	1,369	2,055	8,612	14,623
1974	2,747	1,484	2,115	9,148	15,494
1975	2,907	1,580	2,338	9,486	16,311
1976	3,067	1,676	2,357	9,684	16,784

Source: Respective districts.

The administrative offices of the Padre Dam Water Resources Agency, a joint powers agency formed by the Rio San Diego Municipal Water District and the Santee County Water District. The two districts' administrative offices are located in the building, which was financed by a lease-revenue note.



Water Rates

The District passes on the cost of the water it purchases from the San Diego County Water Authority plus an \$8 per acre foot of water wholesale charge, or override, to the retail purveyors of the water. This rate became effective July 1, 1976 and doubled the previous \$4/acre foot rate. The District sells an average of 11,000 acre feet annually; therefore the wholesale charge is expected to generate approximately \$88,000 in 1976/77. The District charges San Diego County, on a monthly basis, \$3.50/1,000 cubic feet for the first 4,000 cubic feet, \$2.25/1,000 cubic feet for the next 8,000 cubic feet, and \$1.50/1,000 cubic feet for the excess over 12,000 cubic feet for water the county purchases for El Monte Park.

Each of the four retail water purveyors has graduated bi-monthly water rates as summarized in the tabulations following. The districts also have connection, installation, and other special charges not shown.

SANTEE COUNTY WATER DISTRICT

Bi-Monthly Water Rates*

I Domestic Use—Rates per 100 Gallons

Amount	Rate
First 7,500 gal.	\$.0588
Next 67,500 gal.	.0566
Next 75,000 gal.	.0543
Next 130,000 gal.	.0521
Next 300,000 gal.	.0455

II Commercial/Industrial Use—Rates per 100 Gallons

Amount	Rate
First 7,500 gal.	\$.0588
Next 67,500 gal.	.0566
Next 75,000 gal.	.0543
Next 150,000 gal.	.0521
Next 450,000 gal.	.0410
Next 5,250,000 gal.	.0402
Next 3,000,000 gal.	.0355
Next 6,000,000 gal.	.0341
Over 16,000,000 gal.	.0321

*Effective November 1, 1970; District has minimum bi-monthly charges ranging from \$8 to \$387 depending on meter size. Most domestic meters are \$8.

Source: Santee County Water District.

LAKESIDE IRRIGATION DISTRICT

Bi-Monthly Water Rates*

Amount	Rate
0-2,000 cu. ft.	\$9.00 minimum
2,000-4,000 cu. ft.	.44/100 c.f.
4,000-12,000 cu. ft.	.30/100 c.f.
Over 12,000 cu. ft.	.19/100 c.f.

*Effective March 1, 1976.

Source: Lakeside Irrigation District.

RIO SAN DIEGO MUNICIPAL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1

Bi-Monthly Water Rates*

Service Area	Per 1,000 Cubic Feet			
	First 6,000 c.f.	Next 37,560 c.f.	Next 87,120 c.f.	Over 130,680 c.f.
I	\$4.00	\$3.40	\$2.75	\$1.80
IIA & III ...	4.55	4.00	3.20	2.10
IIB & IVA ..	5.20	4.60	3.85	2.65
IVB	5.65	5.05	4.25	3.20
IVC	6.00	5.40	4.55	3.85

*Effective June 8, 1971.

Source: Rio San Diego Municipal Water District.

RIVERVIEW WATER DISTRICT

Bi-Monthly Water Rates*

Amount	Level	Rate
700 cu. ft.	N.A.	\$9.50 minimum
701-4,300 cu. ft.	1st	.45/100 c.f.
	2nd	.48/100 c.f.
	3rd	.51/100 c.f.
Over 5,000 cu. ft.	1st	.24/100 c.f.
	2nd	.26/100 c.f.
	3rd	.29/100 c.f.

*Effective June 1, 1976.

Source: Riverview Water District.

Santee Lakes

The Santee County Water District owns and operates water reclamation facilities that have become world-renowned. By converting sewage to usable water, it has created a series of seven recreational lakes around which it has constructed a public park. The park is used by approximately 300,000 persons annually for boating, fishing and picnicking.

Proposed Consolidation

The November 1976 ballot will include a measure whereby the Santee County Water District would

be dissolved. The former Santee district would then operate as a separate Improvement District of the Rio San Diego Municipal Water District. The Rio district would therefore retail water to the Santee area rather than wholesale it as at present, and would own and operate the sewerage system and recreational facilities of the former Santee district.

Since the Santee district is a self-supporting district in its entirety, it is not expected that there would be any financial effect on the Rio district other than a possible reduction in overall administrative costs as one level of government was removed.

One of the seven Santee lakes. These recreational facilities were formed by reclaimed water from the Santee County Water Districts' water reclamation facilities. Approximately 300,000 persons use the lakes and surrounding park annually.



FINANCIAL DATA

Assessed Valuations

The Rio San Diego Municipal Water District uses the facilities of San Diego County for the assessment and collection of taxes for District purposes. As a Municipal Water District, the District taxes all land, improvements and personal property within its boundaries that are subject to taxation. Ad valorem taxes are levied against taxable property located within Improvement District No. 1 on the same basis. District taxes are collected at the same time and on the same tax rolls as are city, county and school district taxes. The California State Board of Equalization reports the 1975/76 San Diego County valuations averaged 24 percent of full value except for public utility property, which was reported to be assessed at 25 percent of full cash value by the state.

The California State Legislature adopted two types of State-reimbursed exemptions beginning in the tax year 1969/70. The first currently exempts 50 percent of the assessed valuation of business inventories from taxation. The second exemption currently provides a credit of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor.

Revenue estimated to be lost to local taxing agencies due to the above exemptions is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated or actual delinquencies. The summary at the top of the page presents the Improvement District's 1975/76 assessed valuation before and after giving effect to such State-reimbursed exemptions.

Preliminary 1976/77 assessed valuations for the local secured and unsecured rolls only were reported by the San Diego County Assessor to total \$36,683,647, an increase of 6.8% over 1975/76 for the same two rolls. The 1976/77 utility roll assessed valuation is not yet available.

IMPROVEMENT DISTRICT NO. 1 RIO SAN DIEGO MUNICIPAL WATER DISTRICT 1975/76 Assessed Valuations

Roll	Net Assessed Valuation	State-reimbursed Exemptions	Assessed Valuation for Revenue Purposes
Secured . . .	\$31,228,510	\$2,656,828	\$33,885,338
Utility	1,858,600	—	1,858,600
Unsecured .	399,061	79,683	478,744
Total . .	\$33,486,171	\$2,736,511	\$36,222,682

Source: San Diego County Auditor-Controller.

Since 1971/72, the Improvement District's assessed valuation has increased 97 percent, as summarized in the following tabulation.

IMPROVEMENT DISTRICT NO. 1 RIO SAN DIEGO MUNICIPAL WATER DISTRICT Growth in Assessed Valuation

Fiscal Year	Assessed Valuation*
1971/72	\$18,421,336
1972/73	20,724,000
1973/74	26,516,476
1974/75	28,706,252
1975/76	36,222,682

*Before deduction of State-reimbursed exemptions.

Source: San Diego County Auditor-Controller.

Tax Levies and Delinquencies

Taxes on the secured roll are payable in two installments on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. Taxes on unsecured property are assessed and payable on March 1 and become delinquent the following August 31 in the next fiscal year.

The tabulation at the top of the next page shows the amount of secured taxes levied by the Improvement District for the period 1970/71—1974/75, with the amount and percent of current taxes delinquent on June 30 of each year and total collections, including prior-year collections, penalties and interest.

IMPROVEMENT DISTRICT NO. 1
RIO SAN DIEGO MUNICIPAL WATER DISTRICT
Tax Levies and Delinquencies

Fiscal Year	Secured Tax Levy ^①	Amount Collected (June 30) ^①	Amount Delinquent (June 30) ^①	Percent Delinquent (June 30) ^①	Total Collections (June 30) ^②	Percent Collected
1970/71	\$275,594	\$256,314	\$19,280	6.99%	\$265,875	96.5%
1971/72	262,595	247,171	15,424	5.87	260,711	99.2
1972/73	275,384	260,811	14,573	5.29	271,868	98.7
1973/74	320,614	299,032	21,582	6.73	320,956	100.1
1974/75	346,746	303,617	43,129	12.44	321,707	92.8

① Source: San Diego County Auditor-Controller.

② Includes prior year collections, penalties and interest; Source: Eggert and Baughman, CPAs (District auditors).

Major Taxpayers

San Diego County does not compile a list of the largest ad valorem taxpayers in each particular taxing entity within the county.

Tax Rates

The basic Improvement District property tax rate for the 1975/76 fiscal year was established at \$1.35 per \$100 assessed valuation. The growth of assessed valuation and the ability of the Improvement District to finance most of its development and service costs from water revenues have permitted this levy to be reduced from a high of \$2.38 per \$100 assessed valuation in 1962/63.

Under California statutory tax rate limitations, the Improvement District's maximum allowable ad valorem tax rate, other than to meet debt service on voter-approved general obligation bond issues, is \$1.50 per \$100 assessed valuation.

A total of 38 tax code areas were established within the Improvement District for the 1975/76 fiscal year. The two largest, Code Areas 51016, and 59048, had a 1975/76 assessed valuation of \$6,673,312 and \$6,893,976, respectively, or about 37 percent of the Improvement District's total assessed valuation. The tax rates applying to all property

within each area are presented in the following tabulation.

IMPROVEMENT DISTRICT NO. 1
RIO SAN DIEGO MUNICIPAL WATER DISTRICT
1975/76 Tax Rates/\$100 A.V.
Tax Code Areas 51016 and 59048

	Code Area 51016	Code Area 59048
San Diego County	\$ 2.621	\$ 2.621
County Library	.173	.173
Elementary schools	1.802	1.670
High schools	2.767	2.767
Community college	.924	.924
Other education	1.187	1.157
Flood control	.086	.086
Fire protection district	.990	—
Grossmont Hospital District	.200	.200
Metropolitan Water District	.160	.170
County Water Authority ...	.110	.110
Rio San Diego MWD	.200	.200
Rio San Diego MWD, ID No. 1	1.350	1.350
Total	\$12.570*	\$11.428*

*Excludes \$.014 on land only for resource conservation district.

Source: San Diego County Auditor-Controller.

Pension Plan

The District maintains a contributory, self-trusted pension plan open to all full-time employees after they have completed one year of continuous service. The District's policy is to fund the pension cost accrued each year. Effective July 1, 1975, the District's portion of such cost became approximately 9% of the gross annual compensation of the participants in

the plan. The participants are required to contribute 4% of their gross annual compensation. Each participant may, at his election, contribute up to an additional 10% of his gross compensation to the plan. The contributions purchase individual fixed or variable life annuity policies from Aetna Life and Casualty Company for each participant. There are

no unfunded past service costs. As of July 1, 1976, 49 of the District's 67 full-time employees participated in the pension plan.

Insurance in Effect

As of July 1, 1976, the District had in effect the following insurance coverage: Bodily injury, property damage and auto fleet—\$1,000,000; Optional peril—\$875,500; Comprehensive on buildings and other items ranging from \$1,000 to \$180,000, depending on item insured; and an umbrella excess liability coverage of \$5,000,000 for each occurrence with a \$10,000 retained limit.

Income, Expenses and Balance Sheet

Tables 2 and 2A on pages 14 and 15 present summaries of income and expenses for both Improvement District No. 1 and the overall District since 1971/72. The figures for fiscal years 1971/72 through 1974/75 are extracted from the District's annual audit reports; those for 1975/76 are unaudited totals as of May 30, 1976.

The District uses a modified accrual enterprise method of accounting, as required by the California State Controller. In general, income is recorded when earned and expenses are recorded upon incurrance of liability, except accrued interest on outstanding indebtedness which is payable from appropriations of the following year. The District budget is on a memorandum basis only and encumbrances are not recorded.

Tables 3 and 3A on pages 16 and 17 present three-year summaries of the balance sheets for both Improvement District No. 1 and the overall District, including fund balances, as audited. The Improvement District's unaudited June 30, 1976 unappropriated fund balance was \$849,869.

Direct and Overlapping Bonded Debt

As of the sale date of, and including, the Bonds currently offered, the Improvement District will have outstanding \$2,450,000 1961 Election general obligation bonds.

Table 4 on page 18 presents the Improvement District's direct and estimated overlapping bonded debt as of the date of the Bonds currently offered.

Other Debt Obligations

The overall District has four other long-term debt obligations other than bonded indebtedness, as

described in the following paragraphs. As part of the overall District, the Improvement District is responsible for its proportionate share of such obligations.

First, the District has annexation charges payable to the Metropolitan Water District and San Diego County Water Authority for participation rights in the two agencies. As of June 30, 1975, the total payable to the Metropolitan Water District was \$519,295 and \$1,516 to the Authority. The annexation charges are repaid through ad valorem taxes levied directly on property owners by the two agencies being repaid. The annexation fees will be fully repaid to the Metropolitan Water District in 1991 and to the Authority in 1980.

Second, the District contracted with the City of San Diego in 1960 to purchase a portion of the El Capitan pipeline which connects the district system with the San Diego Aqueduct. As of the date of the bonds currently offered, the District will have outstanding \$105,000 of this debt, to be fully paid in three equal annual installments, the last falling due July 1, 1979.

Third, the District has a lease obligation to the Padre Dam Water Resources Agency for a share (41⅔%) of the District administrative offices. The building was financed by an Agency revenue note under a joint exercise of powers agreement between the Rio San Diego Municipal Water District and the Santee County Water District. The District's annual base rental obligation is \$20,661 and the note will be retired in April 1989. In addition to base rental, the District is required to meet one-third of additional costs incurred by the joint powers agency.

In addition, the District is party to ten reimbursement contracts with consumers who have made contributions to the District to aid in the construction of water and sewer facilities. Of these, nine are for water facilities in Improvement District No. 1 and one is for a sewer line in the Santee area. These contracts are to be repaid as new connections are made to the extensions, solely by those connecting to such extensions. Only connections made within ten years from the date of each contract qualify for repayment; the contracts are void after that date. Since the amount of repayment is uncertain because it is based on connections that may or may not be made, these contracts are not shown as a fixed liability of the District. The District's auditors reported the maximum amount repayable as of June 30, 1975, for all ten reimbursement contracts, amounted to \$26,038 for sewer facilities and \$117,427 for water facilities—a total of \$143,465.

Table 2

**IMPROVEMENT DISTRICT NO. 1
RIO SAN DIEGO MUNICIPAL WATER DISTRICT**

Income and Expenses^①

	1971/72	1972/73	1973/74	1974/75	1975/76
OPERATING INCOME:					
Water sales	\$188,936	\$208,045	\$252,724	\$270,673	\$ 292,812
Connection fees	81,343	78,593	96,736	154,775	91,122
Total operating income	\$270,279	\$286,638	\$349,460	\$425,448	\$ 383,934
OPERATING EXPENSES:					
Water purchases	\$ 36,849	\$ 40,772	\$ 63,432	\$ 98,739	\$ 79,019
Pumping and storage	37,226	40,804	49,247	103,601	153,949
Water treatment	4,991	5,160	4,351	1,943	1,781
Transmission and distribution	72,161	69,225	76,935	114,373	165,838
Customer accounts	6,389	11,309	14,705	8,177	9,639
Administrative and general	54,287	55,358	71,979	142,132	203,577
Depreciation, less overhead	72,405	76,946	84,723	50,197	84,611
Total operating expenses	\$284,308	\$299,574	\$365,372	\$519,162	\$ 698,414
Net operating income (loss)	\$(14,029)	\$(12,936)	\$(15,912)	\$(93,714)	\$(314,480)
NON-OPERATING INCOME:					
Property taxes	\$268,233	\$279,929	\$330,196	\$330,949	\$ 434,395
Interest income	19,344	12,702	53,365	56,829	36,631
Other	36,275	186,337 ^③	85,622	201,130 ^③	173,793
Total non-operating income	\$323,852	\$478,968	\$469,183	\$588,908	\$ 644,819
NON-OPERATING EXPENSES:					
Interest expense ^②	\$104,850	\$ 97,775	\$ 95,275	\$ 92,150	\$ 89,316
Other	5,438	2,642	3,437	2,133	2,210
Total non-operating expenses	\$110,288	\$100,417	\$ 98,712	\$ 94,283	\$ 91,526
NET INCOME	<u>\$199,535</u>	<u>\$365,615</u>	<u>\$354,559</u>	<u>\$400,911</u>	<u>\$ 238,813</u>

^① 1971/72-1974/75 extracted from District audits by Eggert and Baughman, CPAs, copies on file at District office. 1975/76 unaudited totals prepared by District as of May 30, 1976.

^② Includes bond interest.

^③ Includes HUD grant and/or contribution from other entity.

Table 2A

RIO SAN DIEGO MUNICIPAL WATER DISTRICT

Income and Expenses^{①②}

	1971/72	1972/73	1973/74	1974/75	1975/76
OPERATING INCOME:					
Water sales	\$654,950	\$701,455	\$ 880,540	\$ 933,224	\$ 977,423
Connection fees	81,343	78,593	97,437	155,467	91,122
Total operating income	\$736,293	\$780,048	\$ 977,977	\$1,088,691	\$1,068,545
OPERATING EXPENSES:					
Water purchases	\$465,738	\$497,296	\$ 646,702	\$ 715,263	\$ 720,693
Pumping and storage	37,226	40,804	49,247	103,601	153,949
Water treatment	4,990	5,160	4,351	1,943	2,255
Transmission and distribution	75,298	69,722	80,372	124,064	166,526
Customer accounts	6,389	11,309	14,705	8,177	9,639
Administrative and general	86,597	91,647	124,546	207,157	323,422
Depreciation, less overhead	88,426	93,284	102,143	66,999	99,995
Total operating expenses	\$764,664	\$809,222	\$1,022,066	\$1,227,204	\$1,476,479
Net operating income (loss)	\$(28,371)	\$(29,174)	\$ (44,089)	\$ (138,513)	\$ (407,934)
NON-OPERATING INCOME:					
Property taxes	\$445,177	\$480,361	\$ 535,686	\$ 556,402	\$ 706,466
Interest income	49,613	46,340	113,630	146,161	67,595
Other	47,275	203,323	124,577	245,717	224,150
Total non-operating income	\$542,065	\$730,024	\$ 773,893	\$ 948,280	\$ 998,211
NON-OPERATING EXPENSES:					
Interest expense ^③	\$124,724	\$114,534	\$ 104,896	\$ 103,720	\$ 97,295
Other	29,247	2,642	25,437	2,133	2,210
Total non-operating expenses	\$153,971	\$117,176	\$ 130,333	\$ 105,853	\$ 99,505
NET INCOME	<u>\$359,723</u>	<u>\$583,674</u>	<u>\$ 599,471</u>	<u>\$ 703,914</u>	<u>\$ 490,772</u>

① 1971/72-1974/75 extracted from District audits by Eggert and Baughman, CPAs, copies on file at District office. 1975/76 unaudited totals prepared by District as of May 30, 1976.

② All figures pertain to entire District, including Improvement District No. 1. (Improvement District No. 2 is not operational.)

③ Includes bond interest.

Table 3

IMPROVEMENT DISTRICT NO. 1

RIO SAN DIEGO MUNICIPAL WATER DISTRICT

Balance Sheet^①

	June 30, 1973	June 30, 1974	June 30, 1975
ASSETS			
Plant, less accumulated depreciation	\$3,088,485	\$3,216,145	\$3,393,577
Construction in progress	—	—	2,934
Participation rights—MWD	—	—	—
Participation rights—County Water Authority	—	—	—
Cash in bond funds	132,676	96,479	120,103
Other assets—general funds	46,169	43,906	53,945
Cash in banks	443,144	662,797	766,307
Water accounts receivable	20,637	28,145	22,283
Other current assets	37,916	37,028	49,108
Total Assets	<u>\$3,769,027</u>	<u>\$4,084,500</u>	<u>\$4,408,257</u>
LIABILITIES			
Notes payable	\$ —	\$ —	\$ —
General obligation bonds payable	2,050,000	2,000,000	1,925,000
Contract payable—City of San Diego	—	—	—
Annexation charges payable	—	—	—
Less: Current portion long-term debt	(50,000)	(75,000)	(75,000)
Special fund liabilities	1,978	2,511	1,840
Accounts payable	21,938	31,614	31,246
Other current liabilities	20,521	27,239	32,127
Current portion long-term debt	50,000	75,000	75,000
Subtotal Liabilities	<u>\$2,094,437</u>	<u>\$2,061,364</u>	<u>\$1,990,213</u>
RESERVES AND FUND BALANCES			
Reserve for uncollectibles	\$ 38,669	\$ 32,656	\$ 26,653
Bond fund balances	130,698	93,968	118,263
Unappropriated fund balances	466,738	680,368	801,617
Investment in fixed assets	1,038,485	1,216,144	1,471,511
Subtotal Reserves and Fund Balances	<u>\$1,674,590</u>	<u>\$2,023,136</u>	<u>\$2,418,044</u>
Total Liabilities, Reserves and Fund Balances	<u>\$3,769,027</u>	<u>\$4,084,500</u>	<u>\$4,408,257</u>

① From audit reports of District by Eggert and Baughman, CPAs, copies on file at District office.

Table 3A

RIO SAN DIEGO MUNICIPAL WATER DISTRICT

Balance Sheet^{①②}

	June 30, 1973	June 30, 1974	June 30, 1975
ASSETS			
Plant, less accumulated depreciation	\$3,685,850	\$3,805,242	\$3,966,070
Construction in progress	—	—	445,581
Participation rights—MWD	936,980	936,980	936,980
Participation rights—County Water Authority	124,100	124,100	124,100
Cash in bond funds	145,301	121,354	144,828
Other assets—general funds	77,659	47,656	61,706
Cash in banks	1,245,626	1,684,147	1,623,104
Water accounts receivable	84,344	113,105	100,369
Other current assets	42,609	45,679	51,731
Total Assets	<u>\$6,342,469</u>	<u>\$6,878,263</u>	<u>\$7,454,469</u>
LIABILITIES			
Notes payable	\$ 40,000	\$ —	\$ —
General obligation bonds payable	2,190,000	2,130,000	2,045,000
Contract payable—City of San Diego	200,000	200,000	170,000
Annexation charges payable	574,626	544,301	520,811
Less: Current portion long-term debt	(130,000)	(145,000)	(115,000)
Special fund liabilities	1,978	2,511	1,878
Accounts payable	81,514	117,002	104,018
Other current liabilities	21,037	27,352	34,263
Current portion long-term debt	130,000	145,000	115,000
Subtotal Liabilities	<u>\$3,109,155</u>	<u>\$3,021,166</u>	<u>\$2,875,970</u>
RESERVES AND FUND BALANCES			
Reserve for uncollectibles	\$ 38,669	\$ 32,656	\$ 26,653
Bond fund balances	143,323	118,843	142,950
Unappropriated fund balances	1,269,018	1,713,578	1,671,976
Investment in fixed assets	1,782,304	1,992,020	2,736,920
Subtotal Reserves and Fund Balances	<u>\$3,233,314</u>	<u>\$3,857,097</u>	<u>\$4,578,499</u>
Total Liabilities, Reserves and Fund Balances	<u>\$6,342,469</u>	<u>\$6,878,263</u>	<u>\$7,454,469</u>

① From audit reports of District by Eggert and Baughman, CPAs, copies on file at District office.

② Figures for entire District, including Improvement District No. 1. (Improvement District No. 2 is not operational.)

Table 4

IMPROVEMENT DISTRICT NO. 1**RIO SAN DIEGO MUNICIPAL WATER DISTRICT****Direct and Estimated Overlapping Debt**

Population (April 1975)	14,716 ^①	
1975/76 Assessed Valuation	\$ 36,222,682	
Estimated Market Value	\$150,617,000 ^②	
Entity	Percent Applicable ^③	Debt Applicable August 17, 1976 ^④
San Diego County	0.644%	\$ 24,697
Metropolitan Water District	0.093	504,272
San Diego County Water Authority	0.677	370,386
Rio San Diego Municipal Water District	23.873	1,193,650 ^⑤
Rio San Diego Municipal Water District, ID No. 1	100.	2,450,000 ^⑥
Grossmont Community College	4.397	273,053
Grossmont Union High School District (various issues)	4.397-4.446	428,742
Alpine Union School District	81.562	453,484
Other school districts	Various	237,027
Alpine Sanitation District	100.	295,000
Other cities and special districts	Various	22,718
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT ..		\$6,253,029
Less: Helix Water District (100% self-supporting)		3,022
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT ...		\$6,250,007

	Ratio to		
	1975/76 Assessed Valuation	Estimated Market Value	Per Capita
1975/76 Assessed Valuation	100.00%	^② %	\$2,461
Direct Debt	6.76	1.63	167
Gross Total Debt	17.26	4.15	425
Net Total Debt	17.25	4.15	425

① Source: Special April 1975 census conducted by San Diego County.

② The State Board of Equalization reported 1975/76 San Diego assessed valuations averaged 24 percent of full value except for public utility property which was reportedly assessed at 25 percent of full value.

③ Source: California Municipal Statistics, Inc., San Francisco, California.

④ Excludes Improvement District's share of county and authority lease obligations (\$821,926). Excludes sales and repayments, if any, between July 10 and August 17, 1976.

⑤ Includes share of \$5,000,000 to be sold August 17, 1976.

⑥ Includes \$600,000 to be sold August 17, 1976.

Improvement District No. 1's Share of Authorized and Unsold Bonds

Rio San Diego Municipal Water District	\$811,682	Lakeside Union School District	\$ 8,562
Alpine Sanitation District	295,000		

ECONOMY OF THE DISTRICT

Geography

The Rio San Diego Municipal Water District is located approximately 25 miles east of the City of San Diego in the south-central part of San Diego County. It is immediately north and east of the City of El Cajon. The District comprises about 85 square miles at average elevations ranging from 400 to 2,500 feet above sea level. Since an extensive freeway network serves the District, residents have access to the entire San Diego Metropolitan area for employment, commercial and cultural endeavors.

Population

The District's April 1975 population was reported to be 72,274 by a special census conducted by San Diego County. This is based on census tracts that are substantially or entirely within the District, and represents a 40.3% increase since 1970. Within Improvement District No. 1, the increase since 1970 was 63.9%. The tabulation below presents census data since 1960, the first census after the District's formation in 1955.

RIO SAN DIEGO MUNICIPAL WATER DISTRICT Population Growth

Year	District, Excluding I. D. No. 1	I. D. No. 1	Total District
1960① ...	24,755	5,799	30,554
1970① ...	42,527	8,979	51,506
1975② ...	57,558	14,716	72,274

① U.S. Census.

② San Diego County Planning Office special census.

Housing

The aforementioned April 1975 special census conducted by the county reported that there were 26,895 dwelling units in those census tracts substan-

tially within the District, of which 18,963 were single-family, 2,525 multi-family and 5,407 mobile homes. The 1970 Federal Census reported a total of 15,755 dwelling units in the same census tracts. The District estimates the average home value to be \$45,000, with a range from \$30,000 to over \$100,000. Average rent is estimated at \$200 per month.

Within Improvement District No. 1 only, the special census reported 5,928 dwelling units, of which 4,170 were single-family, 398 multi-family and 1,360 mobile homes. The District estimates average home values to be \$54,000 within the Improvement District.

Principal District Communities

The District is mostly unincorporated but includes part of the City of El Cajon and all or parts of the communities of Alpine, Harbison Canyon, Crest, Flinn Springs, Lakeside, Santee and surrounding areas.

The largest of these is Santee, with an April 1975 population reported to be 34,536. The community is principally residential in nature with a growing commercial base. The San Diego Chamber of Commerce reported 518 retail establishments in Santee as of August 1973 (latest available data).

The second largest community, with an April 1975 population of 23,022, is Lakeside. The area has continued to grow as a residential community with accompanying commercial development.

Alpine, Harbison Canyon, Crest and Flinn Springs, located within Improvement District No. 1, had an April 1975 population of 14,716, based on the three census tracts within the improvement district. Land use is principally residential with some commercial development.

Building Activity

Total building permit valuations are not reported for separate unincorporated communities in San Diego County. However, the Economic Research Bureau of San Diego compiles new dwelling unit valuations on a census tract basis and it is believed that the majority of new construction within the District has been of a residential nature. The tabulation on the next page summarizes dwelling unit construction within the District for the period 1970-75.

RIO SAN DIEGO MUNICIPAL WATER DISTRICT

New Dwelling Units/Valuations

Year	I. D. No. 1 ^①		Entire District ^②	
	Number Units	Valuation	Number Units	Valuation
1970 ...	66	\$1,379,000	1,469	\$21,483,000
1971 ...	229	4,748,000	2,505	39,191,000
1972 ...	193	6,800,000	2,209	40,871,000
1973 ...	172	4,427,000	2,393	35,810,000
1974 ...	118	3,742,000	245	7,437,000
1975 ...	142	5,350,000	308	11,398,000

① Data for Alpine, Harbison-Crest and Flinn Springs census tracts.

② Data for Alpine, Harbison-Crest, Flinn Springs, Lakeside and Santee census tracts.

Source: Economic Research Bureau of San Diego.

Sewer and Building Moratoriums

As reflected in the new dwelling unit statistics, a sewer hook-up moratorium was imposed on part of the District served by sewerage agencies in May

1973 by the Regional Water Quality Control Board. However, subsequent connection to the San Diego Metropolitan Sewerage System has satisfied water quality control standards for that area.

At the same time, the San Diego County Board of Supervisors imposed a building moratorium on the areas receiving sewer service, which is still partially in effect. The only allowable new connections since May 1973 have been in certain limited areas or for those having a legal building site at the time of the moratorium. Other areas in the District, which utilize septic tanks, are not subject to the moratorium. Only a small portion of Improvement District No. 1 is subject to the sewer moratorium.

This moratorium will remain in effect until a master plan for growth for the area is developed and accepted by both the San Diego County Board of Supervisors and San Diego City Council. A draft plan has been developed by the County, but the District cannot at the present time estimate when the plan will be accepted and the moratorium lifted. Until the moratorium is lifted, it is expected that District assessed valuations will increase at a lesser rate than in the past.

The Parkway Plaza regional shopping center, while located outside the District in adjacent El Cajon, is a major center serving District residents.



Employment

Employment statistics are not compiled for the District area alone. The California State Employment Development Department compiles statistics for the labor market including all of San Diego County. Most of the county employment centers are within commuting distance of District residents. The tabulation below presents a summary of employment for the San Diego Labor Market Area for April 1975 and 1976.

SAN DIEGO LABOR MARKET AREA

April 1975 and 1976 Employment

Type of Employment	April 1975	April 1976
Agriculture	8,500	9,300
Mining	500	500
Construction	18,300	19,600
Manufacturing	72,800	70,200
Transportation, Communications and Utilities	22,700	22,300
Trade, Wholesale and Retail ...	106,900	111,100
Finance, Insurance and Real Estate	24,300	25,300
Services	95,400	97,700
Government	126,600	129,100
TOTAL	476,000	485,100
Seasonally adjusted unemployment rate	11.9%	11.5%

Source: California State Employment Development Department.

Commerce

The District has a number of local commercial areas with a wide range of shops and other outlets, principally in Santee. The center of trade in the general area is the City of El Cajon, where there are many shopping areas including the 80-acre Parkway Plaza regional shopping center. The center, the largest in San Diego County, was completed in 1972 and has 83 specialty shops. In addition Sears has a 285,000 square foot store, the May Company a 110,000 square foot store and Woolworth's a 100,000 square foot unit. The entire Parkway Plaza center is covered, providing climate-controlled shopping and mall areas throughout.

Statistics for taxable transactions are not compiled for the District separately. However, as an indicator of general commercial activity, the following tabulation presents a five-year summary of taxable transactions for both the City of El Cajon and San Diego County, as reported by the State Board of Equalization.

Taxable Transactions (\$000)

Year	City of El Cajon	San Diego County
1971	\$166,939	\$2,777,201
1972	215,291	3,293,149
1973	263,720	3,833,391
1974	290,882	4,296,856
1975	326,753	4,740,460

Source: State Board of Equalization.

A recently completed neighborhood shopping center located in Santee, in the western portion of the District.



Industry

There are no major industries located within the District. However, in the adjacent City of El Cajon and environs there are a number of large employers.

Industry in the area has grown at a rapid pace since 1951, when that city established one of the first industrial parks in San Diego County. The El Cajon Industrial Park, containing approximately 450 acres, was set aside and zoned for light industrial use by the city to attract new industry to the community. As a result of the city's industrial development program, over 100 new industries with total annual payrolls exceeding \$30,000,000 have located in the area in the last ten years, most of which have established their operation in the industrial park. Now over 50 percent developed, the city's industrial park offers ideal location, easy accessibility, proper zoning, and all streets and required utilities in place.

A well diversified group of over 200 manufacturing, processing and distribution firms are located throughout the areas zoned for industrial use within the El Cajon community area. Among the numerous industrial firms that have chosen to locate in the area, the largest in terms of 1974 employment (latest statistics available) are (number of employees in parenthesis); Ametek, Straza Industries (600)—aircraft parts; Stromberg DatagraphiX (450)—data processing components; Buck Knife, Inc. (300)—cutlery; Vanier Graphics Corp. (190)—business forms; Jet Air, Inc. (225)—machining; and Wilpac Manufacturing Co. (185)—machining.

Major non-manufacturing employers include El Cajon Valley Hospital (400); City of El Cajon (400); San Diego Gas & Electric (275); Sears, Roebuck & Co. (275); Montgomery Ward Warehouse (225); and Travelodge International (185).

Although the major factor contributing to the area's increasing industrial development is probably the timely establishment of a large well-planned industrial park, other important factors include: (1) the direct freeway connection between the El Cajon Valley and San Diego (Interstate 8); (2) the development of Gillespie Field, a county-owned airport located in the District and immediately north of the industrial park, as the principal executive aircraft landing field in the county; (3) direct rail service from local industrial sites to San Diego main line connections; and (4) the attractive living conditions for which the El Cajon Valley and surrounding areas are noted. Much of the land within the Gil-

lespie Field area is zoned or designated for present or future industrial development.

In addition to the nearby El Cajon community area, the District is approximately 25 miles from the San Diego industrial complex that has developed in the metropolitan area since the 1940's. More than 1,200 manufacturing companies are located in the county and the majority of these are within the San Diego Metropolitan Area. Based on reported payrolls, the major industrial groups are aircraft-missile and related industries, food processing, printing and publishing, electrical and non-electrical machinery, shipbuilding, fabricated metals, and wearing apparel. According to the most recent San Diego Chamber of Commerce survey, the total value of manufactured products in 1974 (latest available data) approximated \$2.45 billion.

Transportation

The District is served by State Route 67 and Interstate 8. These freeways provide connections to Interstate 15, Interstate 5, and Interstate 805, providing access to the Los Angeles area and other points throughout California and beyond.

Approximately 20 local and transcontinental trucking firms serve the area in the vicinity of the District and provide overnight delivery to Los Angeles and San Francisco, California, and Phoenix, Arizona. Local and commuter bus service is provided in the District by the San Diego Transit System, and long distance service is provided by Greyhound Lines and Continental Trailways in adjacent El Cajon.

The San Diego and Arizona Eastern Railroad, a subsidiary of the Southern Pacific Company, extends a branch line into El Cajon and connects with the main line of the Santa Fe Railway in San Diego. Local spur lines furnish extensive freight service to the industrial areas adjacent to the District.

San Diego County maintains a modernized, well-equipped general aviation airport in Santee, which is within the District. Gillespie Field features three heavy-duty runways, FAA control tower operation, and complete aircraft service and storage facilities. Conveniently located in relation to the San Diego Metropolitan Area, Gillespie Field serves as the principal airport for business and transient aircraft use in the county. Air service to all parts of the state, nation and abroad is available at San Diego International Airport in San Diego.

Education

Elementary and high school education is provided to District residents principally by the Alpine Union School District, Lakeside Union School District, Santee School District and Grossmont Union High School District. The District is also located within the Grossmont Community College District, which operates Grossmont College, a two-year community college.

Located within easy commuting distance are a number of well known institutions of higher learning: San Diego State University, the University of San Diego, United States International University and the University of California at San Diego. The University of California contributes to area research activities and is the home of the world-renowned Scripps Institute of Oceanography.

Gillespie Field, a county-owned and operated general aviation airport located in the District. Immediately south of the airport is the El Cajon Industrial Park, containing about 450 acres for industrial use.

Community Facilities

Located within the District are three county parks and a park owned by the Santee County Water District. The latter park is the previously discussed Santee Lakes, developed utilizing reclaimed water. In addition there are a number of school playgrounds available to District residents. There are nine golf courses in the area with two located within the District. The County maintains public libraries in Alpine, Lakeside and Santee. The District and surrounding community is served by most major banks and savings and loan institutions.

Three general hospitals with a total bed capacity of over 450 are located in adjacent El Cajon. There are over 150 physicians and surgeons, dentists, optometrists and chiropractors practicing within the District and El Cajon.



(THIS PAGE INTENTIONALLY LEFT BLANK)

77 00772

U.C. BERKELEY LIBRARIES



C123317925

INSTITUTE OF GOVERNMENTAL STUDIES LIBRARY
109 PHILOSOPHY HALL
UNIVERSITY OF CALIFORNIA
BERKELEY, CA 94720

